



HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2009  
OF THE CONDITION AND AFFAIRS OF THE

Arkansas Community Care, Inc.

NAIC Group Code 3681 (Current) (Prior) NAIC Company Code 12282 Employer's ID Number 20-2036444

Organized under the Laws of Arkansas, State of Domicile or Port of Entry Arkansas

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [ X ] No [ ]

Incorporated/Organized 01/31/2005 Commenced Business 03/21/2005

Statutory Home Office 10025 W Markham St., Suite 220 (Street and Number) Little Rock , AR 72205 (City or Town, State and Zip Code)

Main Administrative Office 500 12th Street, Ste 350 (Street and Number) Oakland , CA 94607 (City or Town, State and Zip Code) 510-832-0311 (Area Code) (Telephone Number)

Mail Address 500 12th Street, Ste 350 (Street and Number or P.O. Box) Oakland , CA 94607 (City or Town, State and Zip Code)

Primary Location of Books and Records 500 12th Street, Ste 350 (Street and Number) Oakland , CA 94607 (City or Town, State and Zip Code) 510-832-0311 (Area Code) (Telephone Number)

Internet Web Site Address www.arcadianhealth.com

Statutory Statement Contact Stacy Elise Parsons (Name) 510-817-1815 (Area Code) (Telephone Number) sparsons@arcadianhealth.com (E-mail Address) 510-817-1895 (FAX Number)

OFFICERS

CEO/President/Secretary Robert Lawrence Fahlman CFO David Carl Buhler #

Treasurer Kenneth Benjamin Zimmerman

OTHER

DIRECTORS OR TRUSTEES

Robert Lawrence Fahlman David Carl Buhler # Kenneth Benjamin Zimmerman

Chase Spencer Milbrandt Cheryl Yvonne Perkins

State of California SS:

County of Alameda

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Robert Lawrence Fahlman Kenneth Benjamin Zimmerman David Carl Buhler

CEO/President/Secretary Treasurer CFO

Subscribed and sworn to before me this a. Is this an original filing? Yes [ X ] No [ ]

day of b. If no,

1. State the amendment number.....

2. Date filed .....

3. Number of pages attached.....

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE ARKANSAS COMMUNITY CARE, INC.

ASSETS

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	15,390,699		15,390,699	14,292,333
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ encumbrances) .....			0	0
5. Cash (\$ .....4,451,439 ), cash equivalents (\$ .....0 ), and short-term investments (\$ .....4,420,265 ) .....	8,871,704		8,871,704	3,849,663
6. Contract loans, (including \$ ..... premium notes) .....			0	0
7. Other invested assets .....	0		0	0
8. Receivables for securities .....			0	0
9. Aggregate write-ins for invested assets .....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	24,262,403	0	24,262,403	18,141,996
11. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
12. Investment income due and accrued .....	194,077		194,077	194,114
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	1,650,153	3,532	1,646,621	2,092,048
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
13.3 Accrued retrospective premiums .....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....	383,136		383,136	163,751
14.2 Funds held by or deposited with reinsured companies .....			0	0
14.3 Other amounts receivable under reinsurance contracts .....			0	0
15. Amounts receivable relating to uninsured plans .....	292,188		292,188	0
16.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
16.2 Net deferred tax asset .....	1,276,951	305,993	970,958	970,958
17. Guaranty funds receivable or on deposit .....			0	0
18. Electronic data processing equipment and software .....			0	0
19. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	7,402	7,402	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
21. Receivables from parent, subsidiaries and affiliates .....	46,352		46,352	17,641
22. Health care (\$ .....1,083,676 ) and other amounts receivable .....	1,087,310	2,288	1,085,022	650,901
23. Aggregate write-ins for other than invested assets .....	10,582	10,582	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	29,210,554	329,797	28,880,757	22,231,409
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
26. Total (Lines 24 and 25) .....	29,210,554	329,797	28,880,757	22,231,409
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above) .....	0	0	0	0
2301. Prepaid Expenses .....	10,428	10,428	0	0
2302. Non-Statutory Deposits .....	154	154	0	0
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above) .....	10,582	10,582	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	8,152,841	1,017,047	9,169,888	9,152,792
2. Accrued medical incentive pool and bonus amounts	733,572		733,572	42,555
3. Unpaid claims adjustment expenses	325,990		325,990	325,382
4. Aggregate health policy reserves	0		0	116,333
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	743,584		743,584	419,564
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))	542,454		542,454	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	1,842,687		1,842,687	1,596,440
16. Payable for securities			0	0
17. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans	7,924		7,924	100,420
21. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	12,349,052	1,017,047	13,366,099	11,753,486
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX		
25. Preferred capital stock	XXX	XXX		
26. Gross paid in and contributed surplus	XXX	XXX	13,469,452	13,469,452
27. Surplus notes	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	2,045,206	(2,991,530)
30. Less treasury stock, at cost: 30.1 shares common (value included in Line 24 \$ )	XXX	XXX		
30.2 shares preferred (value included in Line 25 \$ )	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	15,514,658	10,477,922
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	28,880,757	22,231,408
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 through 2103 plus 2198)(Line 21 above)	0	0	0	0
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 through 2803 plus 2898)(Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months .....	XXX	76,077	67,014	89,533
2. Net premium income ( including \$ ..... non-health premium income).....	XXX	60,650,316	50,435,851	67,746,008
3. Change in unearned premium reserves and reserve for rate credits.....	XXX			
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX			
5. Risk revenue .....	XXX			
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	60,650,316	50,435,851	67,746,008
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		27,234,085	27,694,153	33,818,000
10. Other professional services .....		4,134,621	3,284,490	5,361,191
11. Outside referrals .....	4,262,446	4,262,446	4,315,973	6,663,799
12. Emergency room and out-of-area .....	566,200	1,666,680	682,666	1,121,921
13. Prescription drugs .....		6,966,247	5,660,244	7,625,385
14. Aggregate write-ins for other hospital and medical .....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		920,729	168,172	191,475
16. Subtotal (Lines 9 to 15) .....	4,828,646	45,184,808	41,805,698	54,781,771
<b>Less:</b>				
17. Net reinsurance recoveries .....		366,061	176,512	271,914
18. Total hospital and medical (Lines 16 minus 17) .....	4,828,646	44,818,747	41,629,186	54,509,857
19. Non-health claims (net) .....				
20. Claims adjustment expenses, including \$ ..... cost containment expenses .....		1,606,928	2,021,713	2,100,468
21. General administrative expenses .....		7,315,299	7,757,675	9,854,878
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....				0
23. Total underwriting deductions (Lines 18 through 22).....	4,828,646	53,740,974	51,408,574	66,465,203
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	6,909,342	(972,723)	1,280,805
25. Net investment income earned .....		511,640	667,899	863,833
26. Net realized capital gains (losses) less capital gains tax of \$ .....		19,766	38,159	38,416
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	531,406	706,058	902,249
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )]. .....				
29. Aggregate write-ins for other income or expenses .....	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	7,440,748	(266,665)	2,183,054
31. Federal and foreign income taxes incurred .....	XXX	1,878,471		0
32. Net income (loss) (Lines 30 minus 31) .....	XXX	5,562,277	(266,665)	2,183,054
<b>DETAILS OF WRITE-INS</b>				
0601. ....	XXX			
0602. ....	XXX			
0603. ....	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above) .....	XXX	0	0	0
0701. ....	XXX			
0702. ....	XXX			
0703. ....	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above) .....	XXX	0	0	0
1401. ....				
1402. ....				
1403. ....				
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above) .....	0	0	0	0
2901. ....				
2902. ....				
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above) .....	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	10,477,923	7,208,769	7,208,769
34. Net income or (loss) from Line 32 .....	5,562,277	(266,665)	2,183,054
35. Change in valuation basis of aggregate policy and claim reserves .....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....			
37. Change in net unrealized foreign exchange capital gain or (loss) .....			
38. Change in net deferred income tax .....		1,666,230	1,276,951
39. Change in nonadmitted assets .....	474,458	(864,526)	(236,517)
40. Change in unauthorized reinsurance .....	0	0	0
41. Change in treasury stock .....	0	0	0
42. Change in surplus notes .....	0	0	0
43. Cumulative effect of changes in accounting principles.....			
44. Capital Changes:			
44.1 Paid in .....	0	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0	0
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in .....	0	0	0
45.2 Transferred to capital (Stock Dividend) .....			
45.3 Transferred from capital .....			
46. Dividends to stockholders .....	(1,000,000)		
47. Aggregate write-ins for gains or (losses) in surplus .....	0	45,666	45,666
48. Net change in capital & surplus (Lines 34 to 47) .....	5,036,735	580,705	3,269,154
49. Capital and surplus end of reporting period (Line 33 plus 48)	15,514,658	7,789,474	10,477,923
DETAILS OF WRITE-INS			
4701. Prior Year Audit Adjustments .....	0	45,666	45,666
4702. ....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	45,666	45,666

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance .....	61,005,376	63,862,097
2. Net investment income .....	556,885	826,217
3. Miscellaneous income .....	0	0
4. Total (Lines 1 to 3) .....	61,562,261	64,688,314
5. Benefit and loss related payments .....	44,330,019	54,347,896
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	8,982,283	13,865,961
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	1,336,017	0
10. Total (Lines 5 through 9) .....	54,648,319	68,213,857
11. Net cash from operations (Line 4 minus Line 10) .....	6,913,942	(3,525,543)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	7,035,723	6,701,377
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	7,035,723	6,701,377
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	8,164,269	8,934,129
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	8,164,269	8,934,129
14. Net increase (or decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(1,128,546)	(2,232,752)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	1,000,000	0
16.6 Other cash provided (applied) .....	236,644	2,822,690
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	(763,356)	2,822,690
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	5,022,040	(2,935,605)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	3,849,664	6,785,269
19.2 End of period (Line 18 plus Line 19.1) .....	8,871,704	3,849,664

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1  Total	Comprehensive (Hospital & Medical)		4  Medicare Supplement	5  Vision Only	6  Dental Only	7  Federal Employees Health Benefit Plan	8  Title XVIII Medicare	9  Title XIX Medicaid	10  Other
		2  Individual	3  Group							
Total Members at end of:										
1. Prior Year .....	7,464	0	0	0	0	0	0	7,464	0	0
2. First Quarter .....	8,321							8,321		
3. Second Quarter .....	8,563							8,563		
4. Third Quarter .....	8,614							8,614		
5. Current Year	0									
6. Current Year Member Months	76,077							76,077		
Total Member Ambulatory Encounters for Period:										
7. Physician .....	74,511							74,511		
8. Non-Physician .....	65,751							65,751		
9. Total	140,262	0	0	0	0	0	0	140,262	0	0
10. Hospital Patient Days Incurred	12,620							12,620		
11. Number of Inpatient Admissions	1,180							1,180		
12. Health Premiums Written (a) .....	61,151,101							61,151,101		
13. Life Premiums Direct .....	0									
14. Property/Casualty Premiums Written .....	0									
15. Health Premiums Earned .....	61,151,101							61,151,101		
16. Property/Casualty Premiums Earned .....	0									
17. Amount Paid for Provision of Health Care Services.....	44,110,632							44,110,632		
18. Amount Incurred for Provision of Health Care Services	45,184,808							45,184,808		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 61,151,101

## CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid Dec. 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....					0	0
2. Medicare Supplement .....					0	0
3. Dental Only .....					0	0
4. Vision Only .....					0	0
5. Federal Employees Health Benefits Plan .....					0	0
6. Title XVIII - Medicare .....	8,030,275	36,715,933	471,196	8,698,692	8,501,471	9,152,790
7. Title XIX - Medicaid .....					0	0
8. Other health .....					0	0
9. Health subtotal (Lines 1 to 8) .....	8,030,275	36,715,933	471,196	8,698,692	8,501,471	9,152,790
10. Healthcare receivables (a) .....	315,696	549,592			315,696	0
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....	142,460	87,252	403,299	330,273	545,759	42,555
13. Totals	7,857,039	36,253,593	874,495	9,028,965	8,731,534	9,195,345

(a) Excludes \$ loans or advances to providers not yet expensed.

1. **Summary of Significant Accounting Policies**

**A. Accounting Practices**

The accompanying financial statements of the Company have been prepared in conformity with the Statutory Accounting Practices (“SAP”) set forth in the National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual*, version effective March 2009.

The Arkansas Insurance Department (“ARDOI”) requires that insurance companies domiciled in Arkansas prepare their statutory basis financial statements in accordance with NAIC SAP to the extent that the practices and procedures contained in the manual do not conflict with any other provisions of Arkansas Insurance Code. Title 23, subtitle of the Arkansas Insurance Code contains differences from NAIC SAP. These sections that supersede the NAIC SAP rules pertain primarily to limitations on investments, and reserve requirements.

**B. Use of Estimates in the Preparation of the Financial Statements**

The preparation of financial statements as prescribed by SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**C. Accounting Policy**

**Investments**

Investments are stated in accordance with methods and values adopted by the NAIC and, as such, bonds are generally stated at amortized cost. The retrospective method is used to value mortgage-backed securities. Premiums and discounts on fixed maturity investments are accreted to income using the modified scientific method over the anticipated life of the security. Short-term investments and U.S. Treasury Bills are carried at amortized cost, which approximates fair market value. Market values are determined using prices published by the NAIC Securities Valuation Office (“SVO”), IDC or Bloomberg.

Net investment income earned consists of interest less investment related expense. Interest is recognized on an accrual basis. Realized gains or losses on the sale of investments are determined on the specific identification method. Unrealized gains or losses are reflected directly in unassigned surplus and, accordingly, do not affect the statements of income.

**Cash and Short-Term Investments**

Cash includes balances held in banks and certificates of deposit with maturities of less than one year. Investments which have a maturity of one year or less, at the date of purchase, including money market mutual funds, are considered short-term investments and are carried at cost or amortized cost.

**Other Accounting Policies**

Unpaid claims adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not yet reported. Such estimates are based on assumptions and while management believes the amount to be adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and establishing the resulting liabilities are continually reviewed and adjustments are reflected in the period determined.

The costs to acquire new members are expensed as incurred.

2. **Accounting Changes and Correction of Errors**

There have been no changes since the 2008 annual filing.

3. **Business Combinations and Goodwill**

Not Applicable

4. **Discontinued Operations**

Not Applicable

5. **Investments**

A, B & C. Arkansas Community Care, Inc. (“ACC”) had no mortgage loans, debt restructuring or reverse mortgages at September 30, 2009.

D. ACC currently has no other-than-temporarily impaired loan-backed securities. All lower rated mortgage securities have been tested and there is no case where the cash flows are less than the amortized cost. However, securities that meet these criteria would be handled as follows. Any loan-backed security rated NAIC6 would be considered impaired if the present value of discounted future cash flows were less than amortized cost. Bloomberg or Intex cash flows would be used and default rates and severities assumed as the actual values of the last six months. These assumptions are conservative due to the significant issues experienced with mortgage loans during this period.

E, F & G. ACC had no repurchase agreements, real estate investments or Low Income Housing Tax Credit investments at September 30, 2009.

6. **Joint Ventures, Partnerships and Limited Liability Companies**

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

7. **Investment Income**

For the 9-months ending September 30, 2009 reported net investment income was \$511,641. At September 30, 2009 ACC had investment income due and accrued of \$194,078, all of which has been admitted.

8. **Derivative Instruments**

Not Applicable

9. **Income Taxes**

A. The company has deferred tax assets that consist of the following:

	<b>2008</b>	<b>2007</b>
Total deferred tax asset	\$ 1,276,951	\$ 1,666,230
Non-admitted deferred tax asset	(305,993)	(1,360,278)
Admitted deferred tax asset	970,958	305,952
Change in non-admitted deferred tax asset	\$ 1,054,285	\$ 101,253

B. Not Applicable

C. The tax effects of temporary differences that gave rise to significant portions of the deferred tax assets were as follows:

	2008	2007	Change
Depreciation and amortization	\$ 305,993	\$ 14,676	\$ 291,317
Unpaid losses and LAE	225,185	285,407	(60,222)
Unearned premiums	-	23	(23)
Accruals and reserves	170,975	19,413	151,562
Net operating loss carry forwards	575,193	1,345,436	(770,243)
Other	(395)	1,275	(1,670)
Total deferred tax assets	1,276,951	1,666,230	(389,279)
Non-admitted deferred tax assets	(305,993)	(1,360,278)	1,054,285
Net deferred tax assets	\$ 970,958	\$ 305,952	\$ 665,006

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before Federal income taxes. The significant items causing this difference are as follows:

	2008	Percent	2007	Percent
Income (loss) before taxes	\$2,183,054		\$ (1,564,045)	—
U.S. tax (benefit) at statutory rate	742,238	34.00%	(531,775)	34.00%
Expenses deducted on books not deducted on the return	(352,959)	(16.17)%	236,360	(15.11)%
Change in non-admitted deferred tax	1,054,285	(48.29)%	—	—
Deferred tax	665,006	30.46%	(10,537)	0.67%
Tax expense (benefit)	\$ —	— %	\$ (305,952)	20.00%

E. At December 31, 2008 the Company had an estimated \$1,691,748 of net operating loss carry-forwards which begin expiring in 2025.

F. The Company’s federal income tax return is consolidated with Arcadian Management Services, Inc. (“AMS”), Arcadian Health Plan, Inc. (“AHP”), Arcadian Health Plan of Georgia, Inc. (“AHPGA”), Arcadian Health Plan of Louisiana, Inc. (“AHPLA”), Arcadian Health Plan of North Carolina, Inc. (“AHPNC”) and Arcadian Health Plan of New York, Inc. (“AHPNY”). The agreement established amongst these companies is to use a pure separate company approach with no current credit for any net operating losses or other items utilized in the consolidated tax return.

The Company remits taxes to AMS under the tax allocation agreement entered into between ACC and it parent. This agreement permits the Company to remit taxes to its parent that would otherwise be payable to the federal government if done on a standalone basis. AMS files a consolidated federal income tax return for which subsidiary gains at ACC are sheltered by parent company losses.

10. **Information Concerning Parent, Subsidiaries and Affiliates**

A. The Company is owned 60% by AHP and 40% by AMS. The Company was granted a Certificate of Authority by the Arkansas Insurance Commissioner on March 21, 2005.

B & C. Not Applicable

- D. At September 30, 2009, the Company had the following receivables and payables, net from its parent and affiliated companies:

	Receivable	Payable
AMS	\$ -	\$ 65,076
AHP	-	1,777,611
AHPLA	46,352	
<b>Total</b>	<b>\$ 46,352</b>	<b>\$ 1,842,687</b>

The majority of the amounts owed by the Company are a combination of pharmacy costs and broker commissions paid from AHP’s bank account on behalf of its affiliates and subsidiary companies. Also, included in the amount due to affiliates are management fees and general and administrative expenses that are initially borne on AHP and subsequently allocated to its affiliate companies – one of which is ACC (see note 10.F, paragraph 2).

The terms of all intercompany agreements amongst the affiliates require that these balances be settled monthly.

- E. Not Applicable

- F. AMS provides certain services to the Company. Those services include enrollment processing, claims processing, professional credentialing, information technology, treasury, financial and tax services. Total compensation under this contract is on a per member per month basis with additional flat rate fees. These fees totaled \$1,939,656 for the 9-months ended September 30, 2009, of which \$219,170 remained unpaid at month-end and is included in the payable due to its affiliated company AHP, which collects the management fees for the affiliate health plans and remits the total fees to AMS.

All of the departmental costs associated with finance/accounting, health/member/physician services, pharmacy management, corporate sales, regulatory compliance, and new market development are originally recorded on the books of AHP and then allocated to the company’s subsidiary and affiliates based on membership (enrollment). The costs being allocated include the salaries, bonuses, expenses, and benefits of all employees that are listed as AHP employees that perform job functions for AHP, ACC, AHPGA, AHPLA, AHPNC and AHPNY. Other costs that are allocated to the subsidiary and affiliate health plans include, but are not limited to: postage, utilities, general consulting and legal fees, temporary help and employee recruitment for the previously mentioned departments, as well as office supplies and depreciation on office furniture/equipment, software licenses, and overhead costs associated with overall design and production of health plan marketing materials. Total costs allocated to the Company by AHP were \$2,620,480 at September 30, 2009. Of that total \$259,664 was part of the intercompany balance due to AHP at September 30, 2009.

- G. 60% of the outstanding shares of the Company are owned by AHP, a health maintenance organization domiciled in Washington. The remaining 40% is owned by AMS, a management services organization domiciled in Delaware.

- H. Not Applicable

- I, J & K. ACC does not have an investment in a Subsidiary Controlled or Affiliated Entity that exceeds 10% of the company’s admitted assets. The company likewise has no investments in foreign insurance subsidiaries.

11. **Debt**

The Company has no outstanding debt as of September 30, 2009.

12. **Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

- A. The Company participates in a qualified, 401(k) plan sponsored by the parent company, AMS. Non-highly compensated employees that earned less than \$105,000 in the previous calendar year are eligible for a company match of up to 5% of their annual

income that is contributed to the plan. Employer match contributions are made on an annual basis and are accrued for monthly. The Company's employer match liability for the 9-months ended September 30, 2009 is \$11,787.

The 401(k) plan is administered by Fidelity Investments and therefore the Company assumes none of the liabilities associated with its administration.

- B, C & D. The Company does not participate in any defined contribution plans, multiemployer plans, or consolidated/holding company plans.
- E. The Company accrues a liability for paid time off for its employees on a monthly basis. The liability for compensated absences can be reasonably estimated and is reflected as part of the general expenses due and accrued on page 3 of this quarterly filing.
- F. The Medicare Modernization Act on Postretirement Benefits had no material financial impact on the Company.

13. **Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

1. The Company has 10 shares authorized and 5 shares issued and outstanding of \$0.01 par value common stock as of September 30, 2009.
2. The Company has no preferred stock authorized.
3. Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation, Arkansas, to \$1,047,792. This amount is based on restrictions to statutory surplus.
4. The Company has paid out \$1,000,000 of dividends to stockholders as of September 30, 2009 based on 2008 financial results.
5. Within the limitations of (13.3) above, there are no restrictions placed on the portion of the Company profits that may be paid as ordinary dividends to stockholder.
6. Not Applicable.
7. Not Applicable
8. The Company does not have any stock held for special purposes such as conversion of preferred stock, employee stock options, or stock purchase warrants.
9. There were no changes to any special surplus funds from the prior period.
10. Unassigned surplus includes a reduction of \$329,797 for non-admitted assets, of which \$305,993 is the non-admitted portion of deferred tax. The remainder of this reduction primarily represents provider receivables greater than 90-days old, prepaid expenses, office furniture and equipment, and non-statutory deposits.
- 11, 12 & 13. The Company does not have any surplus notes and has not entered into any quasi-reorganizations.

14. **Contingencies**

- A. Not Applicable.
- B, C, D & E. ACC has not had any assessments, gain contingencies, contractual or bad faith losses related to lawsuits or any other contingencies.

15. **Leases**

- A. The Company leases office equipment under various non-cancelable operating agreements that expire on, or before, August 31, 2013. In addition, the Company has entered into a lease for office space that expires in 2012. Total lease payments for the 9-months ending September 30, 2009 were \$58,580.

As of September 30, 2009, the Company has the following aggregate non-cancelable lease commitments:

<u>Year</u>	<u>Amount</u>
2009	\$ 20,700
2010	70,395
2011	70,395
2012	26,561
2013	3,192
<u>Total</u>	<u>\$ 191,243</u>

B. Leasing is not a significant part of the Company’s business activities in terms of revenue, net income or assets.

16. **Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

Not Applicable

17. **Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

Not Applicable

18. **Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

A. ASO Plans - Not applicable

B. ASC Plans – Not applicable

C. Medicare Plans – Low Income Cost Sharing (“LICS”) reconciliation payable.

The Company receives LICS advance payments from the Center of Medicare and Medicaid Services (“CMS”) on a monthly basis. These payments represent the difference in dollar amount that CMS pays on behalf of low income beneficiaries for their prescriptions versus non-low income beneficiaries. It is paid to ACC on a prospective basis. Plans are paid dollar for dollar for the low income subsidy cost sharing, and since plans are paid prospectively, an annual reconciliation will be performed. The difference between the actual LICS pharmacy costs incurred for the 2008 and 2009 service years and the advance payments received will be recognized as a payable (if advance payments are higher than costs) or a receivable (if advance payments are less than costs), and settled with CMS approximately six-months after year end.

As of September 30, 2009, the Company’s receivable related to LICS was \$292,188.

19. **Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

Not Applicable

20. **Other Items**

A-H Not Applicable

21. **Events Subsequent**

Not Applicable.

22. **Reinsurance**

**A. Section 1 – General Interrogatories**

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% of controlled, either directly or indirectly, by the Company or by any representative, officer, trustee or director of the Company?  
Yes ( ) No (**X**)
- (2) Have any policies issued by the Company been reinsured with a company chartered in a country other than United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?  
Yes ( ) No (**X**)

**A. Section 2 – Ceded Reinsurance Report – Part A**

- (1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for non-payment of premium or other similar credit?  
Yes ( ) No (**X**)
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?  
Yes ( ) No (**X**)

**A. Section 3 – Ceded Reinsurance Report – Part B**

- (1) What is the estimated amount of aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected on Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of business reinsured in making this estimate. \$383,136.
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?  
Yes ( ) No (**X**)

**B. Uncollectible Reinsurance – Not Applicable (None)**

**C. Commutation of Ceded Reinsurance – Not Applicable (None)**

23. **Retrospectively Rated Contracts & Contracts Subject to Redetermination**

- A. The Company estimates accrued retrospective premium adjustments through a mathematical approach using an algorithm provided by CMS Prescription Drug Event Data Training Participant Guide.
- B. The Company records accrued retrospective premium as an adjustment of earned premium.
- C. The amount of net premiums written by the Company at September 30, 2009 that are subject to retrospective rating features was \$318,803, that represented 0.5% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

24. **Change in Incurred Claims and Claim Adjustment Expenses**

Reserves for incurred losses and loss adjustment expenses attributable to insured events has increased by \$708,721 from \$9,520,729 as of December 31, 2008 to \$10,229,450 as of September 30, 2009 as a result of changes in estimates of unpaid losses and loss adjustment expenses. This increase is driven primarily by the result of ongoing analysis of recent loss development trends and increased membership. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

25. **Intercompany Pooling Arrangements**

Not Applicable

26. **Structured Settlements**

Not Applicable

27. **Health Care Receivables**

A. Pharmaceutical Rebate Receivables – The Company booked pharmacy rebates for 2008 and 2009 expenses that it expects to receive from its pharmaceutical vendor. Total pharmaceutical rebate receivables for the 9-months ended September 30, 2009 were \$667,657.

B. Risk Sharing Receivables – Risk sharing can fluctuate between a liability (reported on page 3, line 4) or an asset (reported on page 2, line 22). CMS advances funds to the Company for pharmacy expenses based on bids submitted by the Company in the previous year. A portion of the difference between actual pharmacy expenses paid and the amounts received from CMS is listed as either a payable or receivable and is settled up with CMS the following year. Total risk sharing receivables for the 9-months ended September 30, 2009 were \$210,394.

C. Other – (Claims Receivable Due from Providers and A/R –P2P)

The Company paid medical and hospital claims on members that were subsequently terminated retroactively by CMS. As most of the claims paid were with contracted providers, the Company is able to seek reimbursement from the providers for these non-eligible members' claims per provisions of the contracts. The receivable is recorded when billed and an allowance for doubtful accounts is provided based on historical collection rates and other factors. At September 30, 2009, the Company admitted a net receivable due from providers of \$197,631.

In addition, the Company incurred pharmacy claims on members that were subsequently transferred to other health plans by CMS. Pursuant to Medicare Part D reimbursement regulations, the Company is able to bill the other plans for these claims (A/R – P2P) and report any non-payment to CMS after 30-days. Accordingly, the Company recorded A/R- P2P of \$7,994 as of September 30, 2009.

As of September 30, 2009, the Company had a receivable, net of allowances for doubtful accounts, due from its agents of \$3,634 of which \$2,288 is over 90-days old and therefore non-admitted. This receivable is driven primarily by commissions paid on retroactively terminated members.

28. **Participating Policies**

Not Applicable

29. **Premium Deficiency Reserves**

Not Applicable

30. **Anticipated Salvage and Subrogation**

Not Applicable



GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? .....

Yes [ ☐ ] No [ ☒ ]
- 1.2

If yes, has the report been filed with the domiciliary state? .....

Yes [ ☐ ] No [ ☐ ]
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....

Yes [ ☐ ] No [ ☒ ]
- 2.2

If yes, date of change: .....
3.

Have there been any substantial changes in the organizational chart since the prior quarter end? .....  
If yes, complete the Schedule Y - Part 1 - organizational chart.

Yes [ ☐ ] No [ ☒ ]
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....

Yes [ ☐ ] No [ ☒ ]
- 4.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....
.....	.....	.....
.....	.....	.....

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? .....  
If yes, attach an explanation.

Yes [ ☐ ] No [ ☒ ] N/A [ ☐ ]
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made. ....

12/31/2007
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ....

12/31/2007
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ....

09/26/2008
- 6.4

By what department or departments?  
Arkansas Department of Insurance
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....

Yes [ ☒ ] No [ ☐ ] N/A [ ☐ ]
- 6.6

Have all of the recommendations within the latest financial examination report been complied with? .....

Yes [ ☒ ] No [ ☐ ] N/A [ ☐ ]
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....

Yes [ ☐ ] No [ ☒ ]
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? .....

Yes [ ☐ ] No [ ☒ ]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms? .....

Yes [ ☐ ] No [ ☒ ]
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....

GENERAL INTERROGATORIES

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity; (c) Compliance with applicable governmental laws, rules and regulations; (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and (e) Accountability for adherence to the code.

Yes [ X ] No [ ]
- 9.11

If the response to 9.1 is No, please explain:
- 9.2

Has the code of ethics for senior managers been amended?

Yes [ ] No [ X ]
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ] No [ X ]
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [ X ] No [ ]
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$0

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [ ] No [ X ]
- 11.2

If yes, give full and complete information relating thereto:
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$0
13.

Amount of real estate and mortgages held in short-term investments:

\$0
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes [ ] No [ X ]
- 14.2

If yes, please complete the following:
- |   | 1   | 2  |
|---|---|--|
|   | Prior Year-End Book/Adjusted Carrying Value | Current Quarter Book/Adjusted Carrying Value |
| 14.21 Bonds   | \$0   | \$0  |
| 14.22 Preferred Stock   | \$0   | \$0  |
| 14.23 Common Stock  | \$0   | \$0  |
| 14.24 Short-Term Investments  | \$0   | \$0  |
| 14.25 Mortgage Loans on Real Estate   | \$0   | \$0  |
| 14.26 All Other   | \$0   | \$0  |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$0   | \$0  |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above                       | \$0   | \$0  |
- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes [ ] No [ X ]
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.

Yes [ ] No [ ]

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE ARKANSAS COMMUNITY CARE, INC.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E - Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, E - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [ X ] No [ ]
- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Bank of the West .....	Oakland, CA .....
Metropolitan National Bank .....	P.O. Box 8010 .....
Morgan Keegan .....	Little Rock, AR 72203 .....
Wells Fargo Bank .....	Fifty N. Street .....
US Bank .....	Memphis, TN 38103 .....
	1000 Louisiana suite 650 .....
	Houston, TX 77002 .....
	P.O. Box 1800 .....
	Saint Paul, MN 55101-0800 .....

- 16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....
.....	.....	.....

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [ X ]
- 16.4 If yes, give full information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....
.....	.....	.....	.....

- 16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
112629 .....	Parkway Advisors, LLP .....	6550 Directors Parkway .....
		Abilene, TX 79606 .....

- 17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [ X ] No [ ]
- 17.2 If no, list exceptions:

## SCHEDULE S - CEDED REINSURANCE

[illegible]

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE ARKANSAS COMMUNITY CARE, INC.

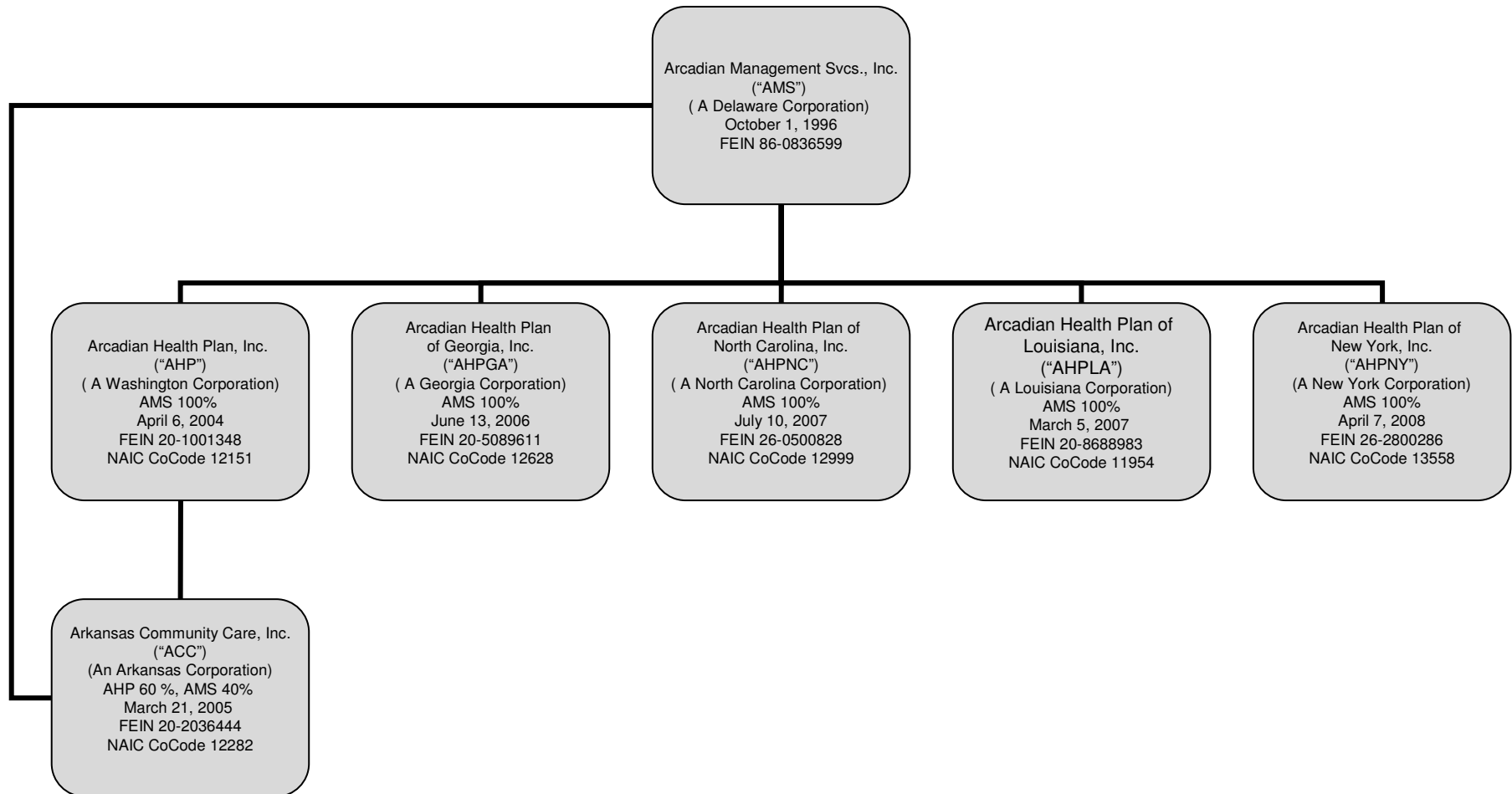
**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories									
States, etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama .....	AL	N						0	
2. Alaska .....	AK	N						0	
3. Arizona .....	AZ	N						0	
4. Arkansas .....	AR	L	49,610,363					49,610,363	
5. California .....	CA	N						0	
6. Colorado .....	CO	N						0	
7. Connecticut .....	CT	N						0	
8. Delaware .....	DE	N						0	
9. District of Columbia .....	DC	N						0	
10. Florida .....	FL	N						0	
11. Georgia .....	GA	N						0	
12. Hawaii .....	HI	N						0	
13. Idaho .....	ID	N						0	
14. Illinois .....	IL	N						0	
15. Indiana .....	IN	N						0	
16. Iowa .....	IA	N						0	
17. Kansas .....	KS	N						0	
18. Kentucky .....	KY	N						0	
19. Louisiana .....	LA	N						0	
20. Maine .....	ME	N						0	
21. Maryland .....	MD	N						0	
22. Massachusetts .....	MA	N						0	
23. Michigan .....	MI	N						0	
24. Minnesota .....	MN	N						0	
25. Mississippi .....	MS	N						0	
26. Missouri .....	MO	N						0	
27. Montana .....	MT	N						0	
28. Nebraska .....	NE	N						0	
29. Nevada .....	NV	N						0	
30. New Hampshire .....	NH	N						0	
31. New Jersey .....	NJ	N						0	
32. New Mexico .....	NM	N						0	
33. New York .....	NY	N						0	
34. North Carolina .....	NC	N						0	
35. North Dakota .....	ND	N						0	
36. Ohio .....	OH	N						0	
37. Oklahoma .....	OK	L	5,409,121					5,409,121	
38. Oregon .....	OR	N						0	
39. Pennsylvania .....	PA	N						0	
40. Rhode Island .....	RI	N						0	
41. South Carolina .....	SC	N						0	
42. South Dakota .....	SD	N						0	
43. Tennessee .....	TN	N						0	
44. Texas .....	TX	L	6,131,618					6,131,618	
45. Utah .....	UT	N						0	
46. Vermont .....	VT	N						0	
47. Virginia .....	VA	N						0	
48. Washington .....	WA	N						0	
49. West Virginia .....	WV	N						0	
50. Wisconsin .....	WI	N						0	
51. Wyoming .....	WY	N						0	
52. American Samoa .....	AS	N						0	
53. Guam .....	GU	N						0	
54. Puerto Rico .....	PR	N						0	
55. U.S. Virgin Islands .....	VI	N						0	
56. Northern Mariana Islands .....	MP	N						0	
57. Canada .....	CN	N						0	
58. Aggregate Other Aliens .....	OT	XXX	0	0	0	0	0	0	0
59. Subtotal .....	XXX	0	61,151,102	0	0	0	0	61,151,102	0
60. Reporting Entity Contributions for Employee Benefit Plans .....	XXX							0	
61. Totals (Direct Business) (a)	3	0	61,151,102	0	0	0	0	61,151,102	0
DETAILS OF WRITE-INS									
5801. ....	XXX								
5802. ....	XXX								
5803. ....	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Insert the number of L responses except for Canada and Other Alien.

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 ORGANIZATIONAL CHART**



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

Response

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? .....

NO

Explanation:

1. Part D coverage is provided through a Medicare Advantage Plan.

Bar Code:

1.



1 2 2 8 2 2 0 0 9 3 6 5 0 0 0 0 3

Medicare Part D Coverage Supplement [Document Identifier 365]

**OVERFLOW PAGE FOR WRITE-INS**

**NONE**

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Current year change in encumbrances .....		
4. Total gain (loss) on disposals .....		
5. Deduct amounts received on disposals .....		
6. Total foreign exchange change in book/adjusted carrying value .....		
7. Deduct current year's other than temporary impairment recognized .....		
8. Deduct current year's depreciation .....		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....		
10. Deduct total nonadmitted amounts .....		
11. Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and mortgage interest points and commitment fees .....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....		
10. Deduct current year's other than temporary impairment recognized .....		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....		
12. Total valuation allowance .....		
13. Subtotal (Line 11 plus Line 12) .....		
14. Deduct total nonadmitted amounts .....		
15. Statement value at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and depreciation .....		
9. Total foreign exchange change in book/adjusted carrying value .....		
10. Deduct current year's other than temporary impairment recognized .....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....		
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	14,292,337	12,019,500
2. Cost of bonds and stocks acquired .....	8,164,269	8,934,129
3. Accrual of discount .....	9,824	12,161
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....	15,024	37,341
6. Deduct consideration for bonds and stocks disposed of .....	7,035,723	6,701,377
7. Deduct amortization of premium .....	55,032	9,417
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other than temporary impairment recognized .....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	15,390,699	14,292,337
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11)	15,390,699	14,292,337

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE ARKANSAS COMMUNITY CARE, INC.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a) .....	16,378,569	12,912,613	10,090,448	(21,003)	16,769,351	16,378,569	19,179,731	18,330,649
2. Class 2 (a) .....	479,196	0	0	297	378,848	479,196	479,493	198,120
3. Class 3 (a) .....	260,373	0	10,666	(97,968)	0	260,373	151,739	
4. Class 4 (a) .....	0				0	0	0	
5. Class 5 (a) .....	0				0	0	0	
6. Class 6 (a) .....	0	0	98,048	98,048	0	0	0	
7. Total Bonds	17,118,138	12,912,613	10,199,162	(20,626)	17,148,199	17,118,138	19,810,963	18,528,769
PREFERRED STOCK								
8. Class 1 .....	0				0	0	0	0
9. Class 2 .....	0				0	0	0	0
10. Class 3 .....	0				0	0	0	0
11. Class 4 .....	0				0	0	0	0
12. Class 5 .....	0				0	0	0	0
13. Class 6 .....	0				0	0	0	0
14. Total Preferred Stock .....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	17,118,138	12,912,613	10,199,162	(20,626)	17,148,199	17,118,138	19,810,963	18,528,769

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ ..... ; NAIC 2 \$ ..... ; NAIC 3 \$ ..... ; NAIC 4 \$ ..... ; NAIC 5 \$ ..... ; NAIC 6 \$ .....

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	4,420,265	XXX	4,423,328	353	5,720

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	4,236,438	5,817,711
2. Cost of short-term investments acquired .....	26,617,515	30,228,037
3. Accrual of discount .....		2,826
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....	4,742	1,075
6. Deduct consideration received on disposals .....	26,434,000	31,802,035
7. Deduct amortization of premium .....	4,430	11,176
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other than temporary impairment recognized .....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	4,420,265	4,236,438
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11)	4,420,265	4,236,438

Schedule DB - Part F - Section 1 - Replicated (Synthetic) Assets Open  
**N O N E**

Schedule DB - Part F - Section 2 - Reconciliation of Replicated (Synthetic) Assets Open  
**N O N E**

SCHEDULE E - VERIFICATION

Cash Equivalents

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	0	997,718
2. Cost of cash equivalents acquired .....	299,993	4,585,437
3. Accrual of discount .....	7	
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration received on disposals .....	300,000	5,583,155
7. Deduct amortization of premium .....		
8. Total foreign exchange change in book/adjusted carrying value .....		
9. Deduct current year's other than temporary impairment recognized .....		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	0	0
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Schedule A - Part 2 - Real Estate Acquired and Additions Made  
**N O N E**

Schedule A - Part 3 - Real Estate Disposed  
**N O N E**

Schedule B - Part 2 - Mortgage Loans Acquired  
**N O N E**

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid  
**N O N E**

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired  
**N O N E**

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid  
**N O N E**

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Desig- nation or Market Indicator (a)
3133XD-TA-9 .....	FHLB 4.75% 12/10/2010 .....	.....	.08/05/2009 .....	Suntrust Capital Markets .....	.....	105,217 .....	100,000 .....	.739 .....	1FE .....
3128X4-QK-0 .....	FHLMC 5% 10/18/10 .....	.....	.08/05/2009 .....	Suntrust Capital Markets .....	.....	105,116 .....	100,000 .....	1,500 .....	1FE .....
3128X4-BE-0 .....	Freddie Mac .....	.....	.08/21/2009 .....	Morgan Keegan .....	.....	101,972 .....	100,000 .....	1,502 .....	1FE .....
3128X6-6L-5 .....	Freddie Mac 3.125% 9/10/10 .....	.....	.08/05/2009 .....	Southwest Securities .....	.....	102,685 .....	100,000 .....	1,267 .....	1FE .....
3134A4-VJ-0 .....	Freddie Mac 4.75% 1/18/11 .....	.....	.08/05/2009 .....	Morgan Keegan .....	.....	105,575 .....	100,000 .....	238 .....	1FE .....
0399999. Bonds - U.S. Governments						520,565	500,000	5,246	XXX
8399997. Total - Bonds - Part 3						520,565	500,000	5,246	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						520,565	500,000	5,246	XXX
8999997. Total - Preferred Stocks - Part 3						0	XXX	0	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						0	XXX	0	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						0	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						0	XXX	0	XXX
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
9999999 - Totals						520,565	XXX	5,246	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE ARKANSAS COMMUNITY CARE, INC.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Ident- ification	Description	For- eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor- tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog- nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	NAIC Desig- nation or Market In- dicator (a)
3133M9-FC-1	FHLB 6.50% 8/14/2009		08/14/2009	MATURITY Coastal Securities Inc.		100,000	100,000	104,010	102,209	0	(2,209)	0	(2,209)	0	100,000	0	0	0	6,482	08/14/2009	1FE
3136F7-3E-5	FNMA 5.70% 10/5/2021		07/17/2009			302,220	300,000	294,000	294,415	0	163	0	163	0	294,578	0	7,642	7,642	13,538	10/05/2021	1FE
31359M-EY-5	FNMA 6.625% 9/15/2009		07/17/2009	UBS Financial Services		100,976	100,000	104,337	102,530	0	(1,945)	0	(1,945)	0	100,584	0	392	392	5,613	09/15/2009	1FE
36202E-LJ-6	GNMA 11 Pool #3929		09/20/2009	PRINCIPAL RECEIPT		5,635	5,635	5,558	5,561	0	74	0	74	0	5,635	0	0	0	179	12/20/2036	1FE
36241K-KV-9	GNMA Pool # 782108		09/15/2009	PRINCIPAL RECEIPT		8,768	8,768	8,661	8,671	0	97	0	97	0	8,768	0	0	0	323	08/15/2021	1FE
36297A-KC-6	GNMA POOL#705991		09/15/2009	PRINCIPAL RECEIPT		5,596	5,596	5,792	0	0	(196)	0	(196)	0	5,596	0	0	0	125	01/15/2024	1FE
0399999. Bonds - U.S. Governments						523,195	519,999	522,358	513,386	0	(4,016)	0	(4,016)	0	515,161	0	8,034	8,034	26,260	XXX	XXX
3133XD-DP-3	FHLB 00-0582 H		09/25/2009	PRINCIPAL RECEIPT		3,249	3,249	3,239	3,246	0	3	0	3	0	3,249	0	0	0	97	10/25/2010	1FE
31394B-G3-2	FNR 2004-101 PM		08/25/2009	PRINCIPAL RECEIPT		15,277	15,277	15,074	15,206	0	71	0	71	0	15,277	0	0	0	461	02/25/2024	1FE
38375Q-WC-9	GNR 2008-50 QA		09/16/2009	PRINCIPAL RECEIPT		11,117	11,117	11,186	11,168	0	(51)	0	(51)	0	11,117	0	0	0	391	06/16/2038	1FE
38375P-LQ-2	GNR 2008-9 DE		09/20/2009	PRINCIPAL RECEIPT		16,685	16,685	16,727	16,694	0	(9)	0	(9)	0	16,685	0	0	0	535	02/20/2038	1FE
3199999. Bonds - U.S. Special Revenues						46,328	46,329	46,226	46,314	0	14	0	14	0	46,328	0	0	0	1,484	XXX	XXX
125581-AK-4	CIT Group Inc.		09/11/2009	UBS Financial Services		58,250	100,000	97,285	97,819	0	229	0	229	0	98,048	0	(39,798)	(39,798)	4,926	09/30/2014	3FE
17311A-AD-7	CMSI 2006-7 2A1		09/25/2009	PRINCIPAL RECEIPT		10,666	10,666	10,639	10,639	0	27	0	27	0	10,666	0	0	0	414	12/25/2021	3FE
94985C-AB-1	WFMS 2006-17 A2		09/25/2009	PRINCIPAL RECEIPT		8,474	8,474	8,451	8,450	0	24	0	24	0	8,474	0	0	0	307	11/25/2021	1FE
3899999. Bonds - Industrial and Miscellaneous (Unaffiliated)						77,390	119,140	116,375	116,908	0	280	0	280	0	117,188	0	(39,798)	(39,798)	5,647	XXX	XXX
8399997. Total - Bonds - Part 4						646,913	685,468	684,959	676,608	0	(3,722)	0	(3,722)	0	678,677	0	(31,764)	(31,764)	33,391	XXX	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999. Total - Bonds						646,913	685,468	684,959	676,608	0	(3,722)	0	(3,722)	0	678,677	0	(31,764)	(31,764)	33,391	XXX	XXX
8999997. Total - Preferred Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799997. Total - Common Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9899999. Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9999999 - Totals						646,913	XXX	684,959	676,608	0	(3,722)	0	(3,722)	0	678,677	0	(31,764)	(31,764)	33,391	XXX	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues.....

Schedule DB - Part A - Section 1 - Options, Caps, Floors and Insurance Futures Options Owned

N O N E

Schedule DB - Part B - Section 1 - Options, Caps, Floors and Insurance Futures Options Written and  
In Force

N O N E

Schedule DB - Part C - Section 1 - Collar, Swap and Forwards Open

N O N E

Schedule DB - Part D - Section 1 - Futures Contracts and Insurance Futures Contracts Open

N O N E

## SCHEDULE E - PART 1 - CASH

[illegible]

Schedule E - Part 2 - Cash Equivalents - Investments Owned End of Current Quarter  
**N O N E**